July 21, 2003

California Energy Commission 1516 9th Street, MS-4 Sacramento, CA 95814

Re: Docket No. 03-CRS-01

Dear Commission:

San Diego Gas & Electric Company (SDG&E) appreciates the opportunity to address the California Energy Commission's (CEC) proposed regulations to implement D.03-04-030. SDG&E also appreciates the CEC's efforts to provide for timely information to flow to those customers installing their own generation qualifying for an exemption from the Cost Responsibility Surcharge. SDG&E hopes that the timely flow of information proposed by the CEC will be sufficient to avoid or at least minimize any negative impacts on those customers. At this time, SDG&E offers the following limited comments.

First, the definition of Customer Generation contained in Section 1395.1 of the Express Terms document should be modified to be the same as in D.03-04-030 in order to avoid potential confusion. That Order states:

"Customer Generation" as used in this order, refers to cogeneration, renewable technologies, or any other type of generation that (a) is dedicated wholly or in part to serve a specific customer's load; and (b) relies on non-utility or dedicated utility distribution wires rather than the utility grid, to serve the customer, the customer's affiliates and/or tenant's, and/or not more than two other persons or corporations. Those two persons or corporations must be located on site or adjacent to the real property on which the generator is located. Parties also use the terms "distributed generation," "onsite and overthe-fence generation," and "self-generation" as being interchangeable with "Customer Generation."

Second, the definition of Departing Load contained in Section 1395.1 of the Express Terms document should be modified to remove an item that does not appear within D.03-04-030. The language that should be removed is the last sentence of the proposed definition that states: "It also does not apply to Departing Load that physically disconnects from the utility grid."

Again, thank you for the opportunity to provide these comments.

Respectfully submitted,

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